

CITY OF CORVALLIS

COUNCIL POLICY MANUAL

POLICY AREA 7 - COMMUNITY IMPROVEMENTS

CP 99-7.14 **Prepayment for Public Street Improvements**

Adopted September 20, 1999

Affirmed September 4, 2001

Affirmed August 18, 2003

Revised August 20, 2007

Revised September 6, 2011

7.14.010 **Purpose**

The Land Development Code requires all new developments to construct, at a minimum, all interior and frontage streets to current City standards. It is not unusual that these street improvements, especially frontage improvements, do not abut existing City standard streets. As a result, improvements to a public street can occur in a fragmented and inefficient manner. The purpose of this policy is to provide a mechanism by which a developer can prepay for public street improvements in lieu of constructing them if it is determined to be in the best interests of the community. For the purposes of this policy, public street improvements will include associated sidewalks and planting strips, as well as storm collection, detention, and treatment facilities necessary to serve a City standard street.

7.14.020 **Policy**

7.14.021 **Applicability**

This policy applies to all development required to make street improvements according to provisions of the Land Development Code. The Land Development Code provides for the use of prepayment when certain development actions occur as infill on an existing substandard public street. For other development, it is recognized that constructing public street improvements is preferred to payments in lieu of construction. However, in certain instances, it may be in the best interest of the community to accept payments in lieu of construction in order to provide for improvements which are logical and economically efficient extensions of existing City standard

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streets. The decision to allow payment in lieu of construction will be made by the Planning Commission and/or City Council for development proposals requiring a public hearing, or by the Community Development Director in consultation with the City Engineer for development projects which are permitted uses. Consideration will be given to the safety and welfare of the public, proximity of existing City standard street improvements, as well as the timing of future street improvements which may provide connectivity.

7.14.022 Exceptions

All proposed street improvements contained entirely within the boundaries of the parcel(s) proposed for development will be constructed with development.

Any frontage improvement which could directly connect to a City standard street will be constructed with development.

7.14.023 Determination of Prepayment Fee

If payment in lieu of construction is determined to be in the best interest of the community, the developer will be required to submit a detailed estimate of construction quantities based on a half-street improvement in a format acceptable to the City Engineer, as well as any other information necessary for the development of a cost distribution to the affected property. Estimates of construction quantities will be based on full-width street improvements if it is determined that the potential for additional development to complete the street improvement does not exist. The City Engineer will apply unit costs typically experienced by City projects to determine the total prepayment fee for the property. In addition, the prepayment fee will include the following elements applied as a percentage of construction costs:

Engineering and Construction Management:	15%
Contingency:	10%
Administrative:	3%

7.14.024 Fee Collection

The prepayment fee will be collected by the City, prior to the issuance of any public improvements by private contract (PIPC) or building permits.

7.14.025 Accounting

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Prepayment fees and all the interest earnings on those fees will be placed in an account specific to that street. These accounts will be co-managed between Public Works and the Finance Department. The City will maintain a record of all properties that have met their financial obligation to make street improvements by prepaying for them.

7.14.026 Project Implementation

Projects for which prepayments have been made may be implemented either through the City's Capital Improvement Program or by disbursing funds to a developer constructing the improvements. Planning for street capital improvement projects funded by prepayment fees will be initiated at the discretion of the Public Works Director, contingent upon budget approval by the City Council. It should be recognized that in order to provide for a logical and cost effective extension of street improvements, projects funded by prepayment fees may be phased and may construct segments of infrastructure which do not front the parcels from which the fee was collected.

In the event that actual costs incurred are less than collected for a particular project, excess funds will be made available for streetscape, traffic calming or transit improvements along the improved section of street. In the absence of streetscape improvements, traffic calming or transit needs, excess prepayment fees will be placed into the City's Street Fund, which will then be used to offset future operating and maintenance costs of the system.

7.14.030 Review and Update

This Community Improvement Policy shall be reviewed every four years by the Public Works Director.